Contd. M-27—100,000—31-8-48.

(195)) Department.

SERIES.

G.O. No. 4641,

Dated 27-9-47

[Despatch Abstract.]

Textiles - Handloom Cloth - Provincial Handloom Wages Board- First meeting held on 16-4-1947 - Minutes approved - Recommendations made by the Board - Accepted.

ABSTRACT.

TEXTILES - Handloom Cloth - Provincial Handloom Wages Board - First meeting held on 16.4.47 - Minutes approved - Recommendations made by the Board - Accepted.

Development Department.

G.O.Ms.No.4641 Dated the 27th September 1947.
Read the following:-

From the Provincial Textile Commissioner No.63701 H/47 dated 18.4.47.

ORDER:-

The Government approve the draft minutes of the first meeting of the Provincial Handlcom Wages Board held on 16th April 1947 submitted by the Provincial Textile Commissioner. The minutes are appended to this order.

2. The Government accept the following recommendations made by the Board at its first meeting.

1. The proposals detailed in the Provincial Textile Commissioner's Note circulated to all members for the fixation of maximum weavers Wages under Clause 17(1) of the Madras Handloom Cloth (Control) Order, 1947, may be accepted;

2. The maximum export price under clause 29 of the Madras Handloom Cloth (Control) order, 1947 in respect of cloth exported to areas outside this Province but inside India may be the same as the internal ceiling price of cloth under clause 19 (1) of the Order;

3. The question of fixing the export prices of cloth for export to Ceylon may be left to be decided in consultation with the Ceylon Exports Price Control Advisory Committee;

4. No allowance on the cost or production of cloth need be conceded under "overheads" under item (4) of clause 18 of the Madras Handlcom Cloth (Control) order, 1947 for handlooms factories having 10 or more looms recognised for supply of yarn under the Provincial Yarn Distribution Schere.

(By order of His Excellency the Governor)

W.R.S.Satthianadhan,
Secretary to Government.

To the Provincial Textile Commissioner.
To All members of Provincial Handloom Wages Board.
To All Collectors.
To the Registrar of Cooperative Societies.

/True copy/

R. Thayanayagam 12.3.54

Office Assistant,
Madras Record Office.

11/54

Minutes of the first meeting of the Provincial Handloom Wages Board held on 16th April, 1947, at the committee Room in the Secretariat Buildings, Fort St. George, Madras, at 3.p.m.

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1. The Honourable Sri H.Sitarama Reddy, M.L.A. Minister for Industries and Information. Chairman.

2. Mr. R.M.Sundaram, O.B.E., I.C.S., Additional Secretary to Government.

3. Mr. S.Venkateswaran, C.I.E., I.C.S., Provincial Textile Commissioner.

4. The Special Deputy Registrar of Co-operative Societies, for Weavers' Co-operative Societies.

5. The Business Manager of the Madras Handloom Weavers' Provincial Co-operative Society Limited, Madras.

6. Sri D.Ramakanta Rao
7. Sri M.Somappa
8. Dr.K.S.Gopiaswamy
9. Sri K.T.Sreedharan

Representatives of Weave

10. Sri Jonnadula Ramakrishnayya
11. Sri Meruva Venkata Subbayya
12. Sri S.N.Ramier
13. The President, Handllom Factory Owners' Association, Cannanore.

Representatives of master weavers.

14. Mr. M.S.Abdul Majid, M.L.A. — Representative of the Madras Provincial Handlo Cloth Merchants' tion.

15. Sri G.Venkanna, M.L.A.,
16. Sri N.Venkatasubbayya, M.L.A.
17. Srimathi V.Lakshmi Ammal, M.D.A.
18. Sri M.Narayana Menon, MLC

Representatives of consumers.

.. The opening speech made by the Honourable Sri H. Sitarama Reddy, M.L.A., Minister for Industries, is reproduced in the Annexure.

2. Mr. Ramakanta Rao sought the permission of the Chairman to move the following resolution:

"This meeting of the Provincial Handllom Wages Board is of opinion that in view of (1) short, irregular, and inadequate supply of yarn (2) high prices and non availability of food grains and other consumers articles and consequent difficulties and sufferings of handloom weavers and (3) the declared intention of the Central Government to remove all control it is inopportune at this time to attempt to control the wages of the handloom weavers and request the Government to drop the idea of such control."

The Chairman ruled that the resolution was out of order in view the fact that the Board has been constituted for the specific purpose of advising the Government in regard to the implementat of the scheme of price control sanctioned by the Government in G.O.No.4696. Development Department. dated 23rd December. 1946.

3. Item No.1 of the agenda:

" Consideration of the Schedule of maximum weaving wages to be notified by the Government under clause 17(1) of the Madras Handloom Cloth (Control) Order 1947:"

(1) Mr. Venkateswaran, the Provincial Textile Commissioner, read the note prepared by him with reference to this item.

(2) Mr. Ramakanta Rao urged that, while he was in favour of the stamping of prices on handloom fabrics and the other measres of control incorporated in the scheme of control sanctioned by the Government, there should be no reduction in the wages prevailing now in the different areas in the Province and that these existing wages should be notified by the Government and allowed without any change, . This proposal was put to vote and was defeated by 10 votes against 5.

(3) Mr. Somappa urged that, in view of the meagre, supplies of yarn and the difficulties felt by the weavers in securing regular food rations, the weaving wage should be so fixed, as to give the weavers a monthly income of Rs.60/- per loom. He asserted thatthe price control scheme sanctioned by the Government would lead to widespread corruption on the part of the low paid stamping Inspectors, and that, far from the prices being reduced as a result of the enforcement of the control, they would go up.

In reply to a specific question from the Provincial Textile Commissioner, Mr. Somappa conceded that his suggestions would amount to giving the weavers higher wages than what they are earning now.

The General sense of the meeting was emphatically against such unworkable and unjustifiably high wages being fixed and that price control on such a basis would be worse than no control.

The Chairman stated that the Government would note the apprehensions, felt by Mr. Somappa regarding the integrity of Stamping Inspectors and take suitable steps to prevent corruption on their part and consequent ineffectiveness of the control. He pointed out that the food ration difficulties alleged by Mr. Somappa could not be said to be anything peculiar to weavers and that theGovernment would certainly discharge their duty of seeing that all classes of people, whether they are weavers or non-weavers, get their supplies of food.

(4) Mr. Ramakanta Rao then moved that the gross weaving wage for plain weaves should be fixed at a uniform rate of Rs. 1-4-0 per knot, irrespective of the count, instead of Rs.1-2-8 per knot for cloth of 20s counts and Re.1-0-0 per knot for cloth made of higher counts, as suggested in the Provincial Textile Commissioner's note. This proposal was put to vote and was defeated by 10 votes against 6.

(5) Mr. Narayana Menon and Srimathi Lakshmi Ammal stated that even the net wage of Rs.27 per loom per pensem which the weaver would get under the Provincial Textile Commissioner's proposal was really too high from the point of view of the consumers of cloth, but that they would accept the Provincial Textile Commissioner's proposals in toto in orde to meet the point of view urged by the weavers' representative as far as possible.

(6) The Provincial Textile Commissioner then moved the following resolution:

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"The Board recommends the acceptance of the proposals detailed in the Provincial Textile Commissioner's note for the fixation of maximum weaving wages under clause 17(1) of the control Order."

The Resolution was put to vote and was carried by 12 votes against 5. (The Chairman did not take part in the voting).

(7) Mr. Ramakanta Rao then represented to the Chirman that he had been authorised by the Madras Provincial Handloom Weavers' Congress, Kidubrolu, to say that, if the weavers' wages were controlled in the manner recommended by the majority of the Board the weavers would "non cooperate". Mr. Narayana Menon, pointed out that the Government should not and could not tolerate, or yield to, such threats, and that they would get the full co-operation of the public in enforcing the price control scheme.

At this stage, the Honourable Minister left the meeting and Mr. R.M.Sundaram, the additional Secretary to Government conducted the subsequent proceedings.

4. Item No.2 of the Agenda:

"Consideration of the control of exporters' prices in respect of cloth exported to areas outside this Province but inside India - Vide clause 29 of the Control Order"

The Provincial Textile Commissioner read the note prepared by him on this subject.

Mr. Majid urged that the maximum export price under clause 29 of the control Order should be the same as the internal ceiling price under clause 19(1). Mr. Narayana Menon pointed out that this would not be "fair" treatment of our sister Provinces and States in India and supported the Provincial Textile Commissioner's proposal that the maximum export price should be the retail ceiling price under clause 19(1) minus 3.1/8 per cent thereof. He added that, while we may allow the exporters a larger margin of profit on cloth exported to countries outside India, we should adopt the policy embodied in clause 29 in respect of exports from the Province to places Inside India.

The Provincial Textile Commissioner pointed out that Mr. Majid's proposal was not, for the reasons urged by Mr. Narayana Menon, a sound one, and that its acceptance would involve a radical amendment of clause 29.

The general sense of the meeting was, however, in favour of the acceptance of Mr. Majid's proposal.

5. Item No.3 of the Agenda:

"Control of export prices for goods exported to Ceylon, (The Madras Handloom Cloth (Exports) Control Order 1947)"

The Provincial Textile Commissioner read the note prepared by him on this subject. The Board unanimously agreed that this subject should be left to be decided in consultation with the Ceylon Exports price Control Advisory Committee which has been specially constituted to advise the Provincial Textile Commissioner and the Government in regard to all matters connected with exports of handloom cloth to Ceylon.

6. Item No.4 of the Agenda:

"Any other business: Handloom cloth - Overhead charges for handloom factories - Percentage to be allowed ".

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The Provincial Textile Commissioner invited the attention of the members to the note which he had circulated in support of his proposal that an allowance of ten per cent on the cost of production should be conceded under "overheads", as a special case, under item (4) of clause 18 of the Control order, for handloom factories which have ten looms and more recognised for yarn supply under the Provincial Yarn Distribution Scheme. Mr. Narayana Menon opposed the proposal on the ground that these factories made larger profits in proportion to their efficiency and size and that any extra cost of supervision incurred by them could, and should, be met out of these profits.

Mr. Samuel Aaron stated that, unlike the ordinary master weavers, these factories have to incur expenditure over supervisory technical staff and insurance charges, as well as over labour welfare arrangements enforced under the Factories Act. Messrs. Majid and Somappa stated that no such concession should be allowed in favour of handloom factories if it were not to be extended to all master weavers and cooperative societie also. The Provincial Textile Commissioner's proposal was put to vote and was declared lost by an overwhelming majority only Mr. Aaron and the Provincial Textile Commissioner voting in favour of the proposal.

7. Mr. Sundaram then thanked the non official members of the Board for attending the meeting and for their valuable assistance . The meeting then terminated.

Annexure
Honourable Minister's opening speech.
(will be sentt separately)

(True copy)

Superintendent.

Speech delivered by the Honourable Sri H.Sitarama Reddy, Minister for Industries and Information, Government of Madras at the Inaugural meeting of the Madras Provincial Handloom wages' Board held on 16th April 1947.

Gentlemen,

I have great preasure in welcoming you all to the first meeting of the Madras Provincial Handloom Wages, Board constituted with reference to the Government Order dated 23rd December 1946. You are all aware that the object of the Government in constituting this Board was to control the price of handloom cloth including the wages of weavers and supply of yarn to them. It is a very difficult task that you have all undertaken to assist the Government in this matter, and I hope that the results of our deliberations will help the Province to get the much needed cloth at a fair price.

2. Government so far have attempted only to regulate the margin of profit for the producers and dealers, but this has not yielded any satisfactory results. The Government were hoping that after the promulgation of the Madras Handloom Cloth (Prices control) order, 1946, the prices would come down to reasonable levels. Not only has this hope not been fulfilled but prices have acutely gone up to a marked extent, and there has been manipulation of wages. Government have therefore been compelled to take powers to regulate wages. Experience has shown that, unless cost of production is adequately controlled, Government's objection of bringing down the prices of handloom cloth to reasonable levels cannot be achieved.

Contd.

3. It is necessary, not only in the interests of the consumers, but also in the interests of the handloom industry itself, that prices of handloom cloth should be such as to be within the means of the people. While we should take care to fix the weaving wage in such a manner as to give a reasonable living wage to the weaver, we cannot ignore the fact that the wage level must be determined with reference to the level of prices which the consumer can afford to pay for the cloth. It will thus be clear that, while we must see that the weaver gets an eincreased wage, appropriate to the present increased cost of living compared with that in the pre-war days, we cannot, from the the point of view of the consumer, allow it to exceed the limit indicated by the cost of living index, any more than the agriculturists can be allowed to exact from the consumer any price he likes for the food grown and sold by him.

The agriculturist who grows, our food, is today making a great sacrifice to help the consumers to get food at reasonable prices. If control of prices and procurement of food grains were absent the agriculturist would be getting very much more for his produce, but the State in the interests of the consumer inervened, and it shouldbe said to the credit of the Madras grower that he has played his part nobly. The handloom industry in Madras is a very important industry and nearly 70 per cent of th cloth that is needed by the Province has to be supplied by this industry. Hence a large section of the people are depending upon this industry.. Like the grower of food crops, it is necessary, that this industry should also contribute its own share of sacrifice to relieve the suffering of the masses. I hope that this aspect would be borne in mind in your deliberations.

The absence of effective price control of handloom cloth has been to no small extent responsible for blackmarketing in yarn and the consequent increase in the prices of cloth. It is hoped that this Provincial Board would help the Government with its advice by making constructive suggestions for achieving the desired objective.